



March 2, 2005

Jaclyn A Brillling
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Ms. Brillling,

I wanted to take a moment to provide feedback on the PSC's SBC program, as per your recent solicitation for comments in conjunction with the SBC program review. We would like to see the SBC program continued, as we think it has a long-term and positive impact on the communities it is meant to serve.

Specifically addressing a few of the questions in your solicitation notice;

Question 1: In addition to successfully reducing electricity consumption and air pollutant emissions, the marketplace is served in several ways that benefit all involved:

- Low income participants get much-needed support to reduce their energy usage.
- Utilities get paid in a more timely fashion by low income participants who can better afford their energy bills.
- Overall energy usage and dependence is reduced, and utilities can sell excess energy to the national grid at competitive rates.
- These benefits are obtained through economic development benefits in New York State.
- The logical integration of health and safety into NYSERDA's building efficiency programs has additional benefits for New York ratepayers.

Question 2: We'd like to see the SBC program extended for at least another 5 years. Longer term programs have more potential for creating long lasting structural impacts that will have persistent benefits.

Question 3: Conditions have changed - and not for the better. Global warming is now an accepted phenomenon in scientific circles that are not influenced by utility company lobbyists. Energy usage by consumers seems to be increasing even as more energy-efficient appliances are being rolled out. The under-developed nations in the world are looking to us for guidance. If western influences dominate China's lifestyle evolution as it appears it will, the US will someday soon be bathed in their air pollution. So the market issues that the SBC is designed to influence are even more critical than before.

Question 4: We'd like to see something like an "urgency scale" added to the evaluation process. Perhaps a scale of 1 to 5 that reflects a subjective evaluation of the impact that participation will have on each consumer. 5 being critically important, and 1 being "nice to have." Non-energy impacts should also be included in evaluation, with more attention to the development of market capacity for delivery of efficiency services.

Question 5: Efficiency is still the most cost effective way to reduce energy bills and improve the environment. Current support for RPS related goals is adequate. Our calculations comparing similar investments of residential comprehensive energy efficiency package and a typical residential solar system show 10 times as much CO2 savings from the efficiency investment.

Question 9: With regards to marketing efforts, we'd like to see introductory information sent out periodically in the same envelope with consumers' utility energy bills. Consumers benefit from being introduced to program in this fashion and this method is cost effective. NYSERDA's media-based investments in consumer marketing have been particularly effective.

Question 10: We have contacts with many state-based programs across the country, and consider NYSERDA's programs routinely among the best.

Question 13: We'd certainly like to see the program expanded to natural gas customers, but not necessarily at the expense of electricity efforts. Natural gas and electricity are becoming inextricably linked as more natural gas is being used for power generation. Saving natural gas is rapidly becoming one of the most effective ways to keep down both electricity and gas prices. Natural gas also has global warming impacts. Gas programs that are well integrated with the current SBC programs will best serve New York State customers. This is an expansion of need. Funding should be increased, not shifted. If the natural gas programs are to be integrated with the electric programs, a coincident program term would be very helpful.

Thank you for soliciting our comments on this important program.

Sincerely,

Conrad Metcalfe
VP Operations and Training
Performance Systems Development

124 Brindley Street
Suite 4

Ithaca NY 14850

607/277-6240

607/277-6224 fax

www.PSDConsulting.com